

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Veterans' Affairs****W Ky. Veterans' Center-Alzheimer's-Gen Care Unit****1,757,000**

This project will expand the existing Western Kentucky Veterans' Center (WKVC). The expansion will add approximately 40 beds to the current 120 beds in an effort to reduce the number of veterans on WKVC's waiting list. Historically, an average of sixty-two (62) veterans have been on WKVC's waiting list at any given time, and approximately two-thirds of the veterans on WKVC's waiting list have been special care/Alzheimer's patients. In addition, the expansion will include all storage and administrative spaces necessary to provide proper care to the additional patients.

Bond Funds

1,757,000

Construct State Veterans Cemetery-Northeast KY**395,000****8,300,000**

The Northeastern Kentucky State Veterans' Cemetery project will procure approximately 60 acres of land in Northeastern Kentucky, which will provide 25,000 gravesites to serve Kentucky's veterans. The project will also include a 3,600 square foot administration building and a 4,400 square foot equipment storage and maintenance building. This will be the fourth Veterans' cemetery authorized by the General Assembly to serve Kentucky's approximately 370,000 veterans in all regions of the Commonwealth.

General Fund

395,000

Federal Funds

8,300,000

Construct State Veterans' Cemetery-Southeast KY**6,200,000**

The Southeastern Kentucky State Veterans' Cemetery project will procure approximately 60 acres of land in Southeastern Kentucky, which will provide 25,000 gravesites to serve Kentucky's veterans. The project will also include a 3,600 square foot administration building and a 4,400 square foot equipment storage and maintenance building. This will be the fifth Veterans' cemetery authorized by the General Assembly to serve Kentucky's approximately 370,000 veterans in all regions of the Commonwealth.

General Fund

200,000

Federal Funds

6,000,000

Maintenance Pool**100,000****100,000**

The Kentucky Department of Veterans Affairs (KDVA) maintains and operates three nursing homes and a State Veterans Cemetery and has another two cemeteries scheduled to open in the upcoming biennium. The KDVA's recurring maintenance pool preserves and protects the Commonwealth's investment in its facilities. These funds are expended for various maintenance and renovation projects under \$400,000.

Investment Income

100,000

100,000

General Government

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Veterans' Affairs Summary		<u>2,252,000</u>	<u>14,600,000</u>
General Fund		395,000	200,000
Federal Funds			14,300,000
Bond Funds		1,757,000	
Investment Income		100,000	100,000

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Kentucky Infrastructure Authority****Infrastructure for Econ. Dev.-Non-Coal Counties****150,000,000**

This debt authorization will provide funding for projects that maintain and expand local economies. There are 349 individual line-item projects identified in Part II, Section O of House Bill 380, as modified by House Bill 557. Projects include investments in public health and safety, economic development, education, public water and wastewater development and roads.

Bond Funds

150,000,000

Infrastructure for Econ. Dev.-Coal Counties**100,000,000**

This debt authorization will provide funding for projects that maintain and expand local economies. There are 210 individual line-item projects identified in Part II, Section N of House Bill 380, as modified by House Bill 557. Projects include investments in public health and safety, economic development, education, public water and wastewater development and roads.

Bond Funds

100,000,000

KIA Fund F-Drinking Water Revolving Loan Program**24,000,000**

The Fund F (Federally Assisted Drinking Water Revolving Loan Fund Program) finances local drinking water facilities that qualify under U.S. Environmental Protection Agency requirements. Funds are provided by the United States Environmental Protection Agency through capitalization grants of 83.33 percent of the total project. The state matches these funds with 16.67 percent of the total project through issuance of General Fund-supported debt. Four percent of the capitalization grants are reserved for the program's administrative costs. The federal funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act.

Federal Funds

20,000,000

Bond Funds

4,000,000

KIA Fund A-Federally Assisted Wastewater Program**24,000,000**

The Fund A (Federally Assisted Wastewater Revolving Fund Program) finances local wastewater treatment and collection facilities that qualify under U.S. Environmental Protection Agency requirements. Funds are provided by the United States Environmental Protection Agency through capitalization grants of 83.33 percent of the total project. The state matches these funds with 16.67 percent of the total project through issuance of General Fund-supported debt. Four percent of the capitalization grants are reserved for the program's administrative costs. The federal funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act.

Federal Funds

20,000,000

Bond Funds

4,000,000

General Government	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Kentucky Infrastructure Authority Summary		<u>298,000,000</u>	
Federal Funds		40,000,000	
Bond Funds		258,000,000	

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Military Affairs****Acquire Land for WHFord Regional Training Center****4,500,000**

This project will procure approximately 4,291 acres of land currently leased by Military Affairs from Peabody Coal Company for military live-fire range safety areas at the Wendell H. Ford Regional Training Center (WHFRTC). Acquisition of this property is essential to the continued growth and the training conducted at WHFRTC, which is itself essential to preparing troops for active combat. The source of Restricted Funds for this project are proceeds from the sale of natural resources, primarily timber and coal slurry, from state owned land at WHFRTC.

Bond Funds

4,500,000

Construct Joint Use Readiness Center Paducah**11,400,000**

This project will construct a new armory and field maintenance shop located in Paducah. The present facility and location do not meet the current needs of the units assigned to the armory and there is not adequate land at the current site for expansion of the facility. The new facility will be approximately 41,843 square feet and will be located on approximately 10 acres. This project will replace the current armory and field maintenance shop currently located in downtown Paducah.

Federal Funds

11,400,000

Bluegrass Station Facility Maintenance Pool**2,500,000****2,500,000**

This maintenance pool funds projects under \$400,000 for the repair and/or improvement of World War II-era buildings and infrastructure at Bluegrass Station. Bluegrass Station is a self-sustaining, semi-commercial economic development operation located at the old Avon Army Depot in Fayette County. Projects to be funded by the pool are necessary because of safety, code enforcement, and/or tenant concerns. Classifications of projects will include, but not be limited to, emergency roof or other structural repairs, repair of water lines, upgrade of electrical wiring, upgrade of sprinkler or heating systems, and maintenance and repair of roadways. Bluegrass Station currently leases 2,123,929 square feet of space.

Restricted Funds

2,500,000

2,500,000

Upgrade DMA Statewide Radio System**3,000,000**

This project continues the development of a digital two-way radio system capable of future technological upgrades and expansion. It will also meet the federal mandate contained in the re-channeling plan of the National Telecommunications and Information Administration. This mandate is that by January 2008 radio systems must convert to narrow band digital or lose the ability to communicate. The source of the Federal Funds for this project is expected to be grants from the Department of Homeland Security.

Federal Funds

3,000,000

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Military Affairs****Maintenance Pool****860,000****860,000**

This maintenance pool funds maintenance and renovation projects under \$400,000 to protect and lengthen facility life spans. The Department of Military Affairs has 1,822,000 square feet of facility space located statewide. Classifications of projects include, but are not limited to, emergency roof repairs or replacements, HVAC and electrical upgrades, code compliance, and maintenance and repair of roadways.

Investment Income

860,000

860,000

Construct Warehouse - Bluegrass Station**1,500,000**

This project will build a 20,000 square foot warehouse to store aircraft parts removed from helicopters during the repair process. This warehouse will support the helicopter modification hangar currently under construction at Bluegrass Station and the aircraft modification building soon to be under construction. Both of these projects were authorized by the 2005 session of the General Assembly. The aircraft repaired at this facility have seen use in the war on terrorism and are being repaired for return to service. The federal funding for this project will be received from the Special Operations Forces Support Activity Division of the Army.

Restricted Funds

375,000

Federal Funds

1,125,000

Aircraft Maintenance Pool**500,000****500,000**

The Division of Air Transport in the Department of Military Affairs currently operates five fixed-wing aircraft and five helicopters which are used for state agency transportation support and counter-drug operations. This Maintenance Pool performs all maintenance of agency-owned aircraft according to Federal Aviation Regulations. Maintenance items include, but are not limited to, engine overhauls and replacement of components such as transmissions, tail rotors, avionics, and gearboxes.

Investment Income

500,000

500,000

Military Affairs Summary**24,260,000****3,860,000****Restricted Funds****2,875,000****2,500,000****Federal Funds****15,525,000****Bond Funds****4,500,000****Investment Income****1,360,000****1,360,000**

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Governor's Office for Local Development****Community Development Fund Projects****96,308,800****8,453,000**

This debt authorization and General Fund Appropriation funds projects which sustain and strengthen the quality of life and economic vitality of Kentucky localities. There are 298 individual line-item projects identified in Part II, Section O of House Bill 380, as modified by House Bill 557. Two other projects were vetoed amounting to \$1,700,000. Of the \$75,658,000 in bond funds appropriated, only \$73,958,000 will be issued.

General Fund

20,650,800

8,453,000

Bond Funds

75,658,000

Owenton/Owen County Natural Gas Line Project**5,000,000**

This debt authorization will provide the City of Owenton with the funds necessary to construct a 6" natural gas line which would tie into the City of Carrollton's existing gas main and will run 23 miles, ending at the Owen County Industrial Park. The gas line will provide the community with an affordable energy source. This infrastructure development project is expected to enhance the Community's economic development efforts.

Bond Funds

5,000,000

Warren County Fiscal Court-Transpark-Rail Spur**4,500,000**

This debt authorization will provide the funding necessary to bring rail service to the Kentucky Transpark, a high-tech commerce and business park located in Bowling Green. The mix-use park is located less than a mile from I-65 provides tenants with state-of the-art communication infrastructure and on-site training facilities. The addition of access to rail transportation, the Transpark will facilitate the "Just in Time" needs found in many of today's businesses.

Bond Funds

4,500,000

Flood Control Matching Fund**2,000,000****2,000,000**

This program is authorized by KRS 151.560 which established the Flood Control Advisory Board. The need to continue to assist local governments with the match requirements of the federal agencies is paramount to flood prevention in many communities. Without the assistance from this fund, most local governments cannot afford the matching requirements. The customary federal participation in these projects is 95 percent inasmuch as most of the Commonwealth's projects are in counties with high poverty rates. The state match is derived from a portion of the Local Government Economic Development Fund allocation of Coal Severance Tax revenues. The Governor's recommended budget moves the state owned dam repair money historically budgeted in the Department for Natural Resources to this account to provide a greater leveraging of the financial resources. Any state-owned dam repair project is eligible to participate in this pool of funds.

Restricted Funds

700,000

700,000

Investment Income

500,000

500,000

General Fund

800,000

800,000

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008**

Governor's Office for Local Development**Franklin Co - Lease**

This leased property is located at 1024 Capital Center Drive. The lease is necessary to provide office space for the Governor's Office for Local Development and the administratively attached Kentucky Infrastructure Authority.

Leslie Co - 6 Volunteer Fire Dept - Equip & Oper

This authorization clarifies the intent of the original project approved by the 2005 Session of the General Assembly to enable the grant to these fire departments to be used on operational expenses as well as equipment.

Governor's Office for Local Development Summary	<u>107,808,800</u>	<u>10,453,000</u>
General Fund	21,450,800	9,253,000
Restricted Funds	700,000	700,000
Bond Funds	85,158,000	
Investment Income	500,000	500,000

Attorney General

Franklin Co - Lease

This lease is located at 1024 Capital Center Drive. The lease provides office space for approximately 200 employees of the Office of the Attorney General. The Office occupies 50,303 square feet in that facility.

Attorney General Summary

Commonwealth's Attorneys

Jefferson Co - Lease

This lease is with the Louisville Jefferson County Metro Government to provide office space for the Jefferson County Office of the Commonwealth's Attorney. The current lease rate is \$15.00 per square foot including utilities and janitorial services. The fund source for the lease is the General Fund. The current cost is \$284,445 per year.

Commonwealth's Attorneys Summary

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Treasury****Lease Purchase of Xerox Laser Printers****141,000****141,000**

This five-year lease-purchase is needed for the replacement of check-writing equipment within the Department of Treasury. This equipment is essential to eliminate the risk of check duplication and the potential for associated losses to the Commonwealth.

Capital Construction Surplus

141,000

141,000

Treasury Summary**141,000****141,000****Capital Construction Surplus****141,000****141,000**

General Government**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Agriculture****PACE-Agricultural Enhancement Fund****3,600,000****3,600,000**

The Purchase of Agriculture Conservation Easements (PACE) Program was originally authorized by the 1994 General Assembly and codified in KRS 262.900-262.920. The program provides for the acquisition of easements to ensure that lands currently in agricultural use will remain available for agriculture use in the future.

Federal Funds

3,600,000

3,600,000

Fuels/Pesticides Testing Lab**1,650,000**

This project will establish an Engine Fuels and Pesticides Testing Laboratory.

The agency is mandated to assure quality in motor fuels and safety in pesticides storage and usage. The proposed laboratory will enable the Department to execute its fuel and pesticides testing program more timely and possibly at a lower cost. The agency now uses contract vendors and the costs of these outside tests, particularly for fuels, have been rising dramatically. By operating its own lab, the Department can avoid delays and provide an elevated level of service and protection to the general public and to firms who face unfair competition from those operating outside of the legal standards.

General Fund

1,650,000

Large Scale Test Truck**175,000**

This vehicle is used by the Department's Division of Regulation and Inspection for the enforcement of the provisions of KRS 363.520 to 363.850, which pertain to weights and measures. The vehicle is more specifically described as a 25,000 pound scale test truck, referring to the total amount of test weights it carries for the purpose of testing or calibrating large weigh scales. This unit will replace an existing vehicle that has excessive age and mileage.

Capital Construction Surplus

175,000

Forage Testing Van**115,000**

This project will provide a new mobile hay testing vehicle capable of providing quality analysis of forage in a field setting. This vehicle will replace an existing unit that is currently in service but has more than 308,000 miles. Forage quality analysis is crucial to efficient livestock production, as forages are usually the most efficient source of nutrients for farm animals. Knowing the nutrient content of forages is an integral part of a farmer's production practices.

Capital Construction Surplus

115,000

Franklin Co - Lease

This lease is located at the Fair Oaks Complex in Frankfort. This lease provides office space for the Office of the State Veterinarian and the Office of Agriculture Marketing and Product Promotion.

General Government

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Agriculture Summary		<u>3,890,000</u>	<u>5,250,000</u>
General Fund			1,650,000
Federal Funds		3,600,000	3,600,000
Capital Construction Surplus		290,000	

Kentucky Retirement Systems**KRS Line of Business Project**

19,300,000

The project will allow KRS to manage all the data and processes required to establish, maintain and administer retirement benefits for participants in the Kentucky Employee, County Employee, and State Police Retirement Systems. The upgrade is needed to replace a COBOL based legacy system. The new system will streamline reporting requirements for complying with state and federal law and other reporting requirements as necessary. In addition, the new system will ensure prompt payment of benefits to all beneficiaries and allow employers and retirees secure access to their confidential data.

Restricted Funds

19,300,000

Franklin Co - Lease Perimeter Park West

This lease is located at the Perimeter Park West office complex in Frankfort, Ky. The Kentucky Retirement Systems occupies 85,357 square feet of space at the complex. This lease provides office space for all administrative functions of the Kentucky Retirement Systems and its staff.

Kentucky Retirement Systems Summary19,300,000

Restricted Funds

19,300,000

Nursing

Jefferson County - Lease

This lease is with Jefferson Development and is located at 312 Whittington Parkway.
The lease provides 18,055 square feet of office space for the Board of Nursing. The
annual amount of the lease is \$224,109.63.

Nursing Summary

Kentucky River Authority**Ky River Locks and Dams Maintenance & Ren Pool****37,800,000**

This pool provides funding for critically needed repairs to several dams on the Kentucky River. The Authority has already completed the necessary design work to replace Dam 9, and funding from this Pool will be used to construct the new dam. Dam 9, in Jessamine County just upstream from Valley View, impounds much of the water supply for the City of Lexington.

Pool funds will be used for the state match of 20% of the cost for the Dam 10 replacement project. The Army Corps of Engineers has been authorized by Congress to replace Dam 10, near Fort Boonesborough State Park, at a cost of approximately \$19.2 million. The project is still in the design phase, and the state match required during the next biennium is expected to be less than \$2 million.

The Authority is authorized to use pool funds for renovation and improvement of other facilities and to reconstruct Dam 3 and its lock near Monterey in Owen County and the lock in Dam 4 at Frankfort.

Restricted Funds
Agency Bonds

4,600,000
33,200,000

Kentucky River Authority Summary**37,800,000****Restricted Funds****4,600,000****Agency Bonds****33,200,000**

School Facilities Construction Commission**Offers of Assistance****100,000,000**

This project appropriates the funding for the authorization of the \$100 million in school construction offers of assistance included in House Bill 267 passed by the 2005 General Assembly. This authorization will allow the Commission to participate in debt service obligations with local school districts to provide major renovation for current school facilities, or to construct needed new facilities based on the priority ranking in the local school district facility plan.

Bond Funds

100,000,000

Additional Offers of Assistance**50,000,000**

The budget appropriated \$50 million in bonding for the School Facilities Construction Commission to distribute to local districts. The Commission may allocate these bonds based upon the results of a study titled School Facilities Evaluation directed by the Executive branch Appropriations Act, and guidelines produced by the Urgent Needs School Trust Fund Advisory Committee which was also directed by the Executive branch Appropriations Act.

Bond Funds

50,000,000

Category 5 School Buildings

A total of \$24,071,600 in past bond appropriations by the General Assembly for the School Facilities Construction Commission have not yet been issued and require reauthorization.

Urgent Need School Trust Fund

Urgent Need School Trust Fund projects authorized by the 2005 General Assembly will not all be completed by June 30, 2006. Unissued bonds in the amount of \$91,536,000 are reauthorized. Seven are projected to be bonded by that date with nine to be done in the next biennium. The projects under this authorization will replace or renovate some of the school facilities in the state that are in the worst condition.

School Facilities Construction Commission

A total of \$73.3 million in past bond appropriations by the General Assembly for the School Facilities Construction Commission have not yet been issued and require reauthorization.

School Facilities Construction Commission Summary**150,000,000****Bond Funds****150,000,000**

General Government

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
General Government Summary		643,451,800	34,304,000
General Fund		21,845,800	11,103,000
Restricted Funds		27,475,000	3,200,000
Federal Funds		59,125,000	17,900,000
Bond Funds		499,415,000	
Agency Bonds		33,200,000	
Capital Construction Surplus		431,000	141,000
Investment Income		1,960,000	1,960,000